

<b>Title</b>	<b>UNITED LEARNING ANTI FRAUD POLICY &amp; RESPONSE PLAN</b>
<b>Policy Owner</b>	<b>Head of Internal Audit</b>
<b>Effective date</b>	<b>November 2022</b>
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## 1. SCOPE

The policy and procedure set out in this document applies to all Trustees and Governors, and to all staff employed by United Church Schools Trust (“UCST”) and United Learning Trust (“ULT”) including teaching, non-teaching, fixed-term, part-time, full-time, permanent and temporary staff. The two companies (UCST and ULT) are referred to in this policy as ‘United Learning’ and ‘the Group’.

In light of the charitable status of the Group and its commitments around regularity, propriety, compliance and Value for Money, the policy and procedures in this document are mandatory.

The purpose of this document is to give United Learning’s policy on fraud and set out our responsibilities for its prevention and our response should it occur. Fraud, for the purpose of this policy, goes beyond the Fraud Act and includes theft, bribery and corruption.

The Group requires all staff at all times to act honestly and with integrity and to safeguard the resources for which they are responsible. Fraud is an ever-present threat to these resources and hence must be a concern of all members of staff.

The Group takes the most serious view of any attempt to commit fraud by members of staff, contractors, their employees and agents acting on behalf of United Learning, and others. Staff involved in impropriety of any kind will be subject to disciplinary action, including prosecution, if appropriate. The Group will treat attempted fraud as seriously as accomplished fraud.

## 2. DEFINITIONS

### 2.1 Fraud

Fraud is the deliberate use of deception and dishonesty to deprive, disadvantage or cause a loss or the risk of loss (usually financial) to another person or party.

Under the Fraud Act 2006, the offence of fraud can be committed in one of three ways:

- by false representation
- by failing to disclose information; or
- abuse of position.



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In each case, the perpetrator's conduct must be dishonest and his/her intention must be to make a gain or cause a loss or the risk of a loss to another (no gain or loss needs actually to have been made).

The Fraud Act 2006 also introduced other new offences such as:

- possession, making or supplying articles for use in frauds
- obtaining services dishonestly with intent to avoid payment.

## 2.2 Theft

Theft is dishonestly appropriating property belonging to another with the intention of permanently depriving the other of it.

## 2.3 Bribery

The Bribery Act 2010 introduces four offences:

- a. The offence of bribing another person. This can occur where a person offers, promises or gives a financial or other advantage to another individual to perform improperly a relevant function or activity.
- b. The offence of being bribed. This is where a person receives or accepts a financial or other advantage to perform a function or activity improperly.
- c. Bribery of a foreign public official. This is where a person directly or through a third party offers, promises or gives any financial or other advantage to a foreign public official in an attempt to influence them.
- d. A corporate offence of failure to prevent bribery. A commercial organisation could be guilty of bribery where a person associated with the organisation, such as an employee, agent or even a sub-contractor, bribes another person intending to obtain or retain business for the organisation.

## 2.4 Corruption

The offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions of any person. Both parties are equally guilty of an offence.

## 3. RESPONSIBILITIES

3.1 The Group is responsible to the Trustees for:

- developing and maintaining effective controls to help prevent or detect fraud.
- carrying out vigorous and prompt investigations if fraud occurs.
- taking appropriate disciplinary and/or legal action against perpetrators of fraud.
- taking disciplinary action against managers where their failures have contributed to the commission of the fraud.



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3.2. Line managers are responsible for the prevention and detection of fraud by ensuring that an adequate system of internal control exists within their areas of responsibility, and that these controls operate effectively. As a result, there is a need for all managers to:

- identify and assess the risks involved in the operations for which they are responsible.
- develop, maintain and regularly review effective controls to prevent and detect fraud.
- ensure compliance with controls.
- ensure that agreed procedures are followed.

3.3 Every member of staff:

- has a duty to ensure that public funds, the Group's reputation and its assets are safeguarded.
- should alert their line manager where they believe the opportunity for fraud exists because of poor procedures or lack of effective supervision;.
- Has a responsibility to report details of:
  - a) any suspected or actual fraud, or
  - b) any suspicious acts or events, to their line manager, head of department, Internal Auditor or follow the Group's Whistleblowing Policy. ([The Whistle Blowing \(Raising Concerns\) Policy](#)).

Staff must assist in any investigations by making available all relevant information and by co-operating in interviews.

3.4 Internal Audit:

- should be consulted and involved by Management if a suspected or discovered fraud is reported.
- is responsible for investigating or assisting with investigations into actual or suspected fraud.
- will complete a review of control systems once any investigation has been completed.
- is available to offer advice and assistance on risk and control issues.

#### 4. FRAUD RESPONSE PLAN

The Group has prepared a **Fraud Response Plan** (See Annex A) and a **Supplier Fraud Action Plan** (See Annex B), which should act as a checklist of actions and a guide to follow in the event that fraud is suspected. They cover:

- Notifying suspected fraud
- The investigation process
- Disciplinary/Legal Action
- Initiation of recovery action
- Reporting Process
- Communication with ESFA (for ULT)
- Communication with the Charity Commission (UCST and UCSF)



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**Policies which should be read in conjunction with this policy:**

- [The Whistle Blowing \(Raising Concerns\) Policy](#)
- [The Disciplinary Policy](#)



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## ANNEX A: FRAUD RESPONSE PLAN

### 1. INTRODUCTION

1.1 This fraud response plan provides a checklist of actions and a guide to follow in the event that fraud is suspected it covers:

- Notifying suspected fraud
- The investigation process
- Disciplinary/Legal Action
- Initiation of recovery action
- Reporting Process
- Communication with ESFA (for ULT)
- Communication with the Charity Commission (UCST and UCSF)

1.2 Its purpose is to define authority levels, responsibilities for action and reporting lines in the event if suspected fraud theft or other irregularity.

### 2. NOTIFYING SUSPECTED FRAUD

2.1 It is important that all staff are able to report their concerns without fear of reprisal or victimisation and are aware of the means to do so. The Public Interest Disclosure Act 1998 provides appropriate protection for those who voice genuine and legitimate concerns through the proper channels. See the separate Whistleblowing (Raising Concerns) Policy for further details.

2.2 In this first instance, any suspicion of fraud, theft or other irregularity should be reported, as a matter of urgency, to your line manager who should then report onto the Head Teacher or a member of the Executive Team. If reporting to your line manager would be inappropriate, your concerns should be reported upwards to your Head teacher/Department Head, a member of the Executive Team, or using the Group's Whistleblowing Procedures.

2.3 Additionally, if a suspected fraud is discovered, it is important that it is reported and progressed immediately to the Chief Financial Officer or Company Secretary and the Head of Internal Audit.

2.4 Every effort will be made to protect an informant's anonymity if requested. However, the Group will always encourage individuals to be identified to add more validity to the accusations and allow further investigations to be more effective. In certain circumstances, anonymity cannot be maintained. This will be advised to the informant prior to release of information.

### 3. THE INVESTIGATION PROCESS

3.1 Suspected fraud must be investigated in an independent, open-minded and professional manner with the aim of protecting the interests of both the Group and the suspected individual(s).



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Suspicion must not be seen as guilt to be proven. The investigation process will vary according to the circumstances of each case and will be determined by the Chief Financial Officer or another member of the Executive Team. An Investigating Officer will be appointed to take charge of the investigation on a day to day basis. The Investigating Officer will appoint an investigating team. Those investigating must progress as a priority and arrange interviews with those involved at the earlier possible opportunity.

- 3.2 At the start of each investigation, the Investigating Officer will determine who will collate the evidence, where it will be stored and if/how it will be shared with anyone. All evidence must be collected, documented and cross reference to ensure clear and unambiguous information is available should disciplinary action or prosecution be required. It is important, from the outset, to ensure that evidence is not contaminated, lost or destroyed. The investigation team should therefore take immediate steps to secure physical assets, including laptops and any records thereon, and all other potentially evidential documents. They will also ensure, in consultation with management, that appropriate controls are introduced to prevent further loss.
- 3.3 The Investigating Officer will ensure that a detailed record of the investigation is maintained. This should include a chronological file recording details of all telephone conversations, discussions, meetings and interviews (with whom, who else was present and who said what) details of documents reviewed, tests and analyses undertaken, the results and their significance. Everything should be recorded, irrespective of the apparent significance at the time.
- 3.4 All interviews will be conducted in a fair and proper manner. Where there is a possibility of subsequent criminal action, the police will be contacted.
- 3.5 The findings of the investigation will be reported to the Chief Executive Officer, Chief Financial Officer, Company Secretary, HR Director and Head of Internal Audit who will determine, in consultation with the Investigating Officer, what further action (if any) should be taken. The Company Secretary will determine if this is an insurable event.

#### **4. DISCIPLINARY /LEGAL ACTION**

4.1 Where evidence of fraud is discovered, and those responsible can be identified:

- Appropriate disciplinary action will be taken in line with the disciplinary procedure.
- Where legal action is considered appropriate, full co-operation will be given to investigating and prosecuting authorities, including the police if appropriate.

#### **5. INITIATION OF RECOVERY ACTION**

5.1 United Learning will take appropriate steps, including legal action if necessary, to recover any losses arising from fraud, theft or misconduct. This may include civil action against third parties involved in the fraud, or whose negligent actions contributed to the fraud, to recover any losses.



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5.2 An individual may, in the course of an investigation, offer to repay the amount that has been obtained improperly. The Investigation Officer should neither solicit nor accept such an offer. Any offer made should be recorded and the individual referred to the Chief Financial Officer or Chief Executive Officer.

If an offer of restitution is made while disciplinary or legal proceedings are still under way, legal advice will be sought before such an offer is accepted.

## **6. REPORTING PROCESS**

6.1 Throughout any investigation, the Investigating Officer will keep the Chief Executive, Chief Financial Officer, HR Director and Head of Internal Audit informed of progress and any developments. These reports may be verbal or in writing.

6.2 On completion of the investigation, the Investigating Officer will prepare a full written report setting out:

- Background as to how the investigation arose.
- What action was taken in response to the allegations.
- The conduct of the investigation.
- The facts that came to light and the evidence in support.
- Action taken against any party where the allegations were proved.
- Action taken to recover any losses.
- Recommendations and/or action taken by management to reduce further exposure and to minimise any recurrence.

6.3 The Chief Financial Officer or Company Secretary or the Head of Internal Audit will delegate and oversee the investigation including the contact with the police or other investigative agencies, where appropriate as well as reporting to the Executive Team, Chair of the Risk and Audit Committee and to the Chair of the Trust Board.

6.4 In order to provide a deterrent to other staff, a brief and anonymised summary of the circumstances may be published on the United Learning Hub.

6.5 External communications to the media must be considered with the Educational Director and Chief Executive to mitigate the risk to reputation through adverse publicity.

## **7. COMMUNICATION WITH ESFA (ULT)**

7.1 All instances of fraud or theft committed against our Academies, whether by employees, trustees or third parties, above £5,000, must be reported by the Group to the ESFA (subject to the annual publication of the Academy Trust Handbook). Any unusual or systematic fraud, regardless of value,



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must also be reported. It is the responsibility of the Chief Financial Officer to centrally report such instances to the ESFA.

The ESFA reserves the right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity.

## 8. COMMUNICATION WITH THE CHARITY COMMISSION (UCST and UCSF)

8.1 The Chief Financial Officer or Company Secretary will consider whether an incident falls within the definition of a serious incident that must be reported to the Charity Commission.

## Annex B

### Supplier Payment Fraud

#### ACTIONS TO TAKE IF YOU BECOME AWARE OF A SUPPLIER PAYMENT FRAUD

In parallel with following all the actions included in Annex A: Fraud Response Plan, you must:

- Immediately inform your line manager and the Head of Internal audit plus one of the following (depending on availability) CFO, Group Financial Controller, Head of Finance Business Partnering, Company Secretary. They will then co-ordinate the following additional actions:
- A United Learning “Barclays security contact” (this currently includes the Group Financial Controller, Financial Accounts Manager, Finance Manager) must immediately call the **Barclays Fraud Team on 0330 156 0155** to report the fraud. The Barclays Fraud Team will arrange for the fraudulent bank account to be frozen and will recover any monies left in the account. The information that is needed to do this includes:
  - Sort Code and Bank Account number of the bank account we made the payment from
  - The banking system we used to make the payment i.e. iPortal or PTX
  - Sort Code and bank account number of the bank account we paid the money to
  - The name of the bank account we paid into
  - The date the payment was made
  - The value of the payment made



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- Access Support must remove the fraudulent bank account details from the supplier account on Access Dimensions and put the account on hold to prevent any further payments being made.
- Inform the Director of IT and Group IT System Manager, forwarding them any emails sent to and received from the supplier regarding this payment, so that they can assess for any security breaches of United Learning's systems.

Version number	Date of issue	Reviewed by	Approved by	Date of Approval
5	Sept 2018	Kelly Epps	UCSF Board	Oct 2018
6	Jan 2021	Kelly Epps	Risk and Audit Committee	Jan 2021
7	Jan 2022	Amjad Ali	Risk and Audit Committee	Jan 2022
7	Nov 2022	Clare Dutton	Risk and Audit Committee	Nov 2022



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